
Introduced by Senator LewisFebruary 3, 1998

An act to amend Section 10127.11 of the Insurance Code, relating to life insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1479, as introduced, Lewis. Life insurance: disclosures.

Existing law requires every insurer and life agent offering for sale individual life insurance policies or individual annuity contracts that are initially delivered or issued for delivery to senior citizens with the use of nonpreprinted illustrations of nonguaranteed values to include certain disclosures.

This bill would delete that requirement for life insurance policies.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 10127.11 of the Insurance Code
2 is amended to read:
3 10127.11. Every insurer and life agent offering for sale
4 ~~individual life insurance policies or~~ individual annuity
5 contracts that are initially delivered or issued for delivery
6 to senior citizens in this state on and after January 1, 1995,
7 with the use of nonpreprinted illustrations of
8 nonguaranteed values shall disclose on those illustrations
9 or on an attached cover sheet, in bold or underlined
10 capitalized print, or in the form of a contrasting color



1 sticker, bright highlighter pen, or in any manner that
2 makes it more prominent than the surrounding material,
3 with at least one-half inch space on all four sides, the
4 following statement:

5
6 “THIS IS AN ILLUSTRATION ONLY. AN
7 ILLUSTRATION IS NOT INTENDED TO PREDICT
8 ACTUAL PERFORMANCE. INTEREST RATES,
9 DIVIDENDS, OR VALUES THAT ARE SET FORTH IN
10 THE ILLUSTRATION ARE NOT GUARANTEED,
11 EXCEPT FOR THOSE ITEMS CLEARLY LABELED
12 AS GUARANTEED.”

13
14 All preprinted policy illustrations shall contain this
15 notice in 12-point bold print with at least one-half inch
16 space on all four sides and shall be printed on the
17 illustration form itself. All preprinted illustrations
18 containing nonguaranteed values shall show the columns
19 of guaranteed values in bold print. All other columns used
20 in the illustration shall be in standard print. “Values” as
21 used here includes cash value, surrender value, and death
22 benefit.

